



Medicaid Enterprise  
Department of Human Services

For Human Services use only:  
**General Letter No. 8-AP-268**  
Employees' Manual, Title 8  
Medicaid Appendix

March 23, 2007

## **ALL PROVIDERS MANUAL TRANSMITTAL NO. 07-1**

ISSUED BY: Bureau of Medical Supports,  
Division of Financial, Health and Work Supports

SUBJECT: **ALL PROVIDERS MANUAL**, Chapter II, **Member Eligibility**, Table of Contents, page 1, revised; pages 14, 16, and 21, revised; pages 20e and 20f, new; and form 470-2629, *Presumptive Medicaid Income Calculation*, revised.

### **Summary**

The is chapter is revised to:

- ◆ Correct two statements about Medically Needy eligibility.
- ◆ Provide information about the IowaCare program.
- ◆ Update the *Presumptive Medicaid Income Calculation* with income guidelines based on the federal poverty level for 2007.

### **Date Effective**

The presumptive income guidelines take effect on April 1, 2007. The other changes are effective upon receipt.

### **Material Superseded**

Remove the following pages from the **ALL PROVIDERS MANUAL**, and destroy them:

<u>Page</u>	<u>Date</u>
<b>Chapter II</b>	
Contents (p. 1)	July 1, 2006
14, 16	June 30, 2005
21	February 1, 2006
470-2629 (after p. 24)	4/05

### **Additional Information**


The updated provider manual containing the revised pages can be found at:  
**[www.ime.state.ia.us/](http://www.ime.state.ia.us/)**

If you do not have Internet access, you may request a paper copy of this manual transmittal by sending a written request to:

Iowa Medicaid Enterprise  
Provider Services  
PO Box 36450  
Des Moines, IA 50315

Include your Medicaid provider number, name, address, provider type, and the transmittal number that you are requesting.


If any portion of this manual is not clear, please direct your inquiries to Iowa Medicaid Enterprise.

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### **3. Members Residing in Medical Institutions**

People who reside in a medical institution (a hospital, nursing facility, psychiatric institution, or intermediate care facility for the mentally retarded) for a full calendar month may be eligible for Medicaid.

These people must meet all eligibility requirements for SSI, except that their monthly income may be such that they would be ineligible to receive cash assistance through the SSI program.

There is a special Medicaid income limit in effect for persons in medical institutions. To be eligible in terms of income, the person's monthly income may not exceed 300% of the basic SSI benefit. This limit generally increases on January 1 of each year, as increases occur in the basic SSI benefit.

### **4. Members Receiving State Supplementary Assistance**

People who receive State Supplementary Assistance are eligible for Medicaid. State Supplementary Assistance is a state program that makes a cash assistance payment to certain SSI beneficiaries and persons that are not eligible for SSI due to income slightly exceeding the SSI standard.

The monthly State Supplementary Assistance payment supplements the person's income to meet the cost of special needs, including residential care, in-home health-related care, family-life home care, a dependent person, or special needs due to blindness. Certain people eligible for both Medicare and Medicaid receive a small State Supplementary Assistance payment quarterly.


### **5. Children in Foster Care or Subsidized Adoptions**

Children in foster care or subsidized adoptions are covered by Medicaid if the Department of Human Services is wholly or partially financially responsible for their support.

### **6. Members Under the Medically Needy Program**

The Medically Needy program provides medical coverage to people who are pregnant, under age 21, caretaker relatives, aged, blind, or disabled, and would qualify for Medicaid programs, other than IowaCare, except that:

- ◆ They have slightly too much income or resources, or
- ◆ They have substantially higher incomes but have unusually high medical expenses.

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**a. Medically Needy Conditional Eligibility**

People who have a Medically Needy spenddown obligation are “conditionally eligible” for Medicaid until they have verified enough medical expenses to meet their spenddown for that certification period.

A member with a spenddown may not have a current *Medical Assistance Eligibility Card* when service is requested, but may have met the spenddown, or may later be determined to be eligible retroactively.

Expenses used for spenddown are considered as a deductible and are **not** paid by Medicaid. Medicaid may cover a service provided before the member receives a *Medical Assistance Eligibility Card* if the service was not used to meet the spenddown obligation.


Expenses used to meet spenddown can include both services that would be covered by Medicaid if spenddown were met and services that would not be covered by Medicaid, such as a service provided before the Medically Needy certification period that remains unpaid at the beginning of the period.

Members who have successfully reduced their excess income through spenddown are notified what bills were used for spenddown and are, therefore, their personal obligation.

When a member has met spenddown, but eligibility has not yet been updated to reflect Medicaid coverage for the certification period, ELVS will report that the remaining spenddown is zero. The time lag between the spenddown reaching zero and the eligibility update showing the member as Medicaid-eligible should be no longer than two days.

**b. Submitting Claims for a Member with a Spenddown**

When you have determined through ELVS that a member has a spenddown balance to meet, submit claims for services for the conditionally eligible person or responsible relative to the IME just as if the person were eligible for Medicaid, using claim forms or electronic billing.

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## 12. Members Under IowaCare

The IowaCare program covers:

- ◆ Person ages 19 through 64 who are not eligible for other Medicaid coverage groups and whose countable income is not more than 200% of the federal poverty level.
- ◆ Pregnant women whose countable income is less than 300% of the federal poverty level and who can reduce their income to 200% of the federal poverty level with obligated medical expenses.
- ◆ Newborn infants of women who were receiving IowaCare at time of newborn's birth.

Applications for IowaCare may be obtained from the local Department of Human Services offices. Persons applying for IowaCare may use Comm. 239, *IowaCare Application*, or forms 470-2927 or 470-2927(S), *Health Services Application*.

An *IowaCare Medical Card* is issued to persons determined to be eligible for IowaCare benefits. The card is issued at the beginning of the 12-month certification period. IowaCare benefits may be available for one retroactive month when certain conditions are met.

IowaCare members are assessed a premium based on their income. Payment of the premium is a condition of eligibility unless a hardship exemption is requested. A member who submits a written statement indicating that payment of the monthly premium will be a financial hardship is exempted from the premium payment for that month.

The member may also use form 470-4165, *IowaCare Premium Billing Statement*, or form 470-4185, *IowaCare Premium Notice Reminder*, to request a hardship exemption. If the statement is not postmarked by the due date, the member is obligated to pay the premium.



IowaCare covers only services that are provided by a network provider. (This limitation does not apply to pregnant women.) The network providers are:

- ◆ The University of Iowa Hospitals and Clinics (all IowaCare members); or
- ◆ Broadlawns Medical Center in Des Moines (**Note:** Broadlawns Medical Center provides services only to IowaCare members who live in Polk county); or
- ◆ A state mental health institute, exclusive of the units providing substance abuse treatment, services to gero-psychiatric patients, or treatment for sexually violent predators.


Pregnant women qualifying for IowaCare who reside in Cedar, Clinton, Iowa, Johnson, Keokuk, Louisa, Muscatine, Scott, or Washington County, may receive covered services only when provided by the University of Iowa Hospitals and Clinics.

Pregnant women qualifying for IowaCare who do not live in Cedar, Clinton, Iowa, Johnson, Keokuk, Louisa, Muscatine, Scott, or Washington County may obtain the covered services from any provider or general hospital that participates in Iowa Medicaid.

IowaCare services are limited to the services covered by the Iowa Medicaid program, such as:

- ◆ Inpatient and outpatient hospital care
- ◆ Physician and advanced registered nurse practitioner services
- ◆ Certain dental services
- ◆ Certain pharmacy services
- ◆ Smoking cessation

Conditions for services include, but are not limited to, prior authorization requirements and exclusions for cosmetic procedures or those otherwise determined not to be required to meet the medical need of the patient.

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Covered services for pregnant women who qualify for IowaCare are limited to:

- ◆ Inpatient hospital services when the diagnosis related group (DRG) submitted for payment is between 370 and 384 and the primary or secondary diagnosis code is V22 through V24.9.
- ◆ Outpatient hospital services when the ambulatory patient group (APG) submitted for payment is 175, 304, 492, 493, or 494 and the primary or secondary diagnosis code is V22 through V24.9
- ◆ Services from another provider participating in Medicaid if the claim form reflects that the primary or secondary diagnosis code is V22 through V24.9.
- ◆ Inpatient hospital services when the DRG submitted for payment is between 385 and 391.7.

Services provided by a health care provider other than a hospital shall be covered as provided for other IowaCare members.

#### **D. PRESUMPTIVE ELIGIBILITY DETERMINATION FOR PREGNANT WOMEN**

The goal of the presumptive eligibility process for pregnant women is to make it easier for pregnant women to obtain medical care. Based only on a woman's statements regarding her family income, a qualified provider can "presume" that the pregnant woman will be eligible for Medicaid. Qualified providers can grant Medicaid coverage to these women to pay for the cost of ambulatory prenatal care.



**PRESUMPTIVE MEDICAID INCOME CALCULATION**

If pregnant woman (1) is age 18 or older; or (2) is married, divorced, or widowed; or (3) does not reside with her parents, go directly to Section II. If the pregnant woman is under age 18, resides with her parents, and is unmarried (or her marriage has been annulled), consider parental income in the eligibility determination as follows:

**SECTION I. PARENTAL INCOME**

	<u><b>Parent 1</b></u>	<u><b>Parent 2</b></u>
<b>A.</b> Enter total gross earned income	\$ _____	\$ _____
<b>B.</b> Enter 20% of Line A (work expense deduction)	- \$ _____	- \$ _____
<b>C.</b> Enter child care expenses: For employees, allow <u>up to</u> \$175/mo per child over age 2 \$200/mo per child under age 2 (allow for month child turns 2)		
<b>D.</b> Subtotal (Subtract Lines B and C from Line A)	- \$ _____	- \$ _____
<b>E.</b> If more than one household member has earnings, add together their earned income from Line D.		= \$ _____
<b>F.</b> Using the table below, enter income to meet needs of parents and their dependents in the home. (DO NOT count the pregnant woman when determining the amount of income to subtract.)		- \$ _____

<u><b>Number of Persons</b></u>	<u><b>Amount of Income to Enter on Line F</b></u>
1	\$ 365
2	\$ 719
3	\$ 849
4	\$ 986
5	\$ 1,092
6	\$ 1,216
7	\$ 1,335
8	\$ 1,457
For each additional person add \$173	\$ 173

<b>G.</b> Subtotal (Line E minus Line F)	= \$ _____
<b>H.</b> Enter any unearned income of parents	+ \$ _____
<b>I. COUNTABLE MONTHLY PARENTAL INCOME TO CONSIDER TOWARD THE PREGNANT WOMAN'S ELIGIBILITY</b> (Line G plus Line H)	= \$ _____

## SECTION II. INCOME OF THE PREGNANT WOMAN

Household Size* _____	<u>Pregnant Woman</u>	<u>Unborn's Father</u>
<b>A.</b> Enter total gross earned income**	\$ _____	\$ _____
<b>B.</b> Enter 20% of Line A (work expense deduction)	- \$ _____	- \$ _____
<b>C.</b> Enter child care expenses: For employees, allow <u>up to</u> \$175/mo per child over age 2 \$200/mo per child under age 2 (allow for month child turns 2)		
<b>D.</b> Subtotal (Line A minus Lines B and C)	- \$ _____	- \$ _____
<b>E.</b> Add the earnings of the pregnant woman, the unborn's father, and the unborn's siblings who are under age 19, if they are in the home.	= \$ _____	
<b>F.</b> Enter any court-ordered child support payment made to persons outside the home by the pregnant woman or the father of the unborn child (if he is residing with the pregnant woman). (Allow the amount that is actually paid.)	- \$ _____	
<b>G.</b> Subtotal (Line E minus Line F)	= \$ _____	
<b>H.</b> Enter total monthly unearned income**	+ \$ _____	
<b>I.</b> Enter countable parental income if applicable (See Line I in SECTION I.)	+ \$ _____	
<b>J. TOTAL COUNTABLE NET MONTHLY INCOME</b> (Lines G plus H plus I)	= \$ _____	

If the total countable income (Line J) does not exceed the income limit on the chart below for the household size, the pregnant woman is presumptively eligible.

Household Size	Income Limit
1	\$ 1,702
2	\$ 2,282
3	\$ 2,862
4	\$ 3,442
5	\$ 4,022
6	\$ 4,602
7	\$ 5,182
8	\$ 5,762
For each additional person, add	\$ 580

\* To determine household size, count the pregnant woman, the unborn child(ren), the father of the unborn child and any siblings of the unborn child when in the home.

\*\* Count the income of the pregnant woman, the father of the unborn child and siblings of the unborn child when in the home.